

DotAsia Board Finance Committee (BFC) Meeting Minutes

Date(s) & Time:	July 31, 2023 (Mon) 14:00 PM – 14:55 PM (HK Time)
Location:	DotAsia Zoom Meeting Room: http://aji.asia/zoomboardfinance
Attendees:	<p>Satish BABU Jordan CARTER* Nicole CHAN Edmon CHUNG Maureen HILYARD Akinori MAEMURA</p> <p>Rebecca CHAN (DotAsia Team) Phyo Thiri LWIN (DotAsia Team)</p> <p>Absent: Joel DISINI</p> <p>*Joined during the discussion item:2.1</p>

No.	Action Items:	Owner	Remarks
F2021.01.A04	Search other bank options for opening new Namesphere bank account.	Rebecca CHAN	Suggested to be suspended until after mediation.
F2023.04.A02	Further discussion on the allocation of settlement funds for the .BOX lawsuits.	Edmon CHUNG	Completed. Further actions included in F2023.07.A03.
F2023.07.A01	Table resolution on adoption of audited financials for fiscal year ended Sep 2021 to Board.	Edmon CHUNG	Completed.
F2023.07.A02	Update and table resolution on instructions to financial service providers to Board.	Edmon CHUNG	Completed.
F2023.07.A03	Draft resolution for allocation of settlement funds for .BOX.	Edmon CHUNG	To be circulated before next BFC meeting.

Discussions:

1. Roll Call

- 1.1. Mr. Akinori MAEMURA chaired the BFC meeting on July 31, 2023.
- 1.2. Roll call. Those present for all or part of the meeting are included in the Attendees section.

2. Adoption of Minutes of Last BFC Meeting on July 11, 2023

- 2.1. Draft 1 of BFC meeting minutes on 2023.07.11 were presented.
- 2.2. BFC meeting minutes 2023.07.11 was approved.

3. DotAsia Audit Report

- 3.1. It was noted that the DotAsia audited financials for the Fiscal Year ended in Sep 2021 prepared by Mazars has been circulated and discussed at the previous BFC and Board meetings and will be tabled for adoption at the upcoming Board meeting.
- 3.2. Regarding the previous request from the BFC for displaying the consolidated numbers alongside the company-level numbers in the report, It was reported that Mazars explained that the current format complies with the Hong Kong Financial Reporting Standards and should be kept as is. Nevertheless, two separate sheets with four columns as requested were prepared for the Profit and Loss (P&L) statement and the Balance Sheet, and have been circulated to the BFC.
- 3.3. It was reported that field work for the audit of FY2022 has commenced and staff members from the audit firm are conducting their audit on premise at the DotAsia office currently. It was further reported that a fee increase of less than 10% has been quoted from Mazars for this audit due to rising costs and additional work required, such as handling inquiries from directors.
- 3.4. The following draft resolution for Board consideration was circulated and presented:

The Board approves the audit report for DotAsia prepared by Mazars CPA Ltd. for the fiscal year ending Sep 30, 2021, and appoints Akinori MAEMURA and Edmon CHUNG to sign the report and accompanying documents.
- 3.5. It was noted that due to scheduling conflicts with our auditors, it was not possible to arrange a meeting with the auditors (2023.07.A04) before the Board meeting for the adoption of the audit report.
 - 3.5.1. It was commented that it would have been preferable if the meeting with the auditors could have been scheduled prior to the Board's resolution on the matter, however it should not delay the Board's consideration.
 - 3.5.2. It was further suggested that in the future, it should be a good practice to schedule a meeting between the Board and the auditors before resolving to accept the report for future audits.
 - 3.5.3. DotAsia Team will be arranging for the meeting to take place asap in mid-August when the schedules of the auditors can be coordinated.
- 3.6. It was agreed that the BFC recommends to the Board for the adoption of the audit report as prepared by Mazars. (F2023.07.A01)

4. Instructions to financial service providers

- 4.1. Following from the discussion at the last BFC meeting, it was noted that the proposed instructions on official communication channels with our financial service

providers (including KSHK, Mazars and Fusion), had been shared with the respective providers for their comments and feedback.

- 4.2. The following proposed resolution for the matter was circulated and presented as follows:

WHEREAS service providers, including auditors, may correspond with the DotAsia Board, Board Directors and other individuals as they see fit,

RESOLVED THAT,

1. Service providers should correspond through DotAsia staff team for official information and documents from and to the company as the official channel of communication;
 2. Should the DotAsia (or Namesphere) Board wish to correspond with or request any information about the ongoing work or audit, the communication would come from the DotAsia staff team, the Board Chair and/or the BFC Chair after due consideration within the Board and/or BFC;
 3. Service providers should notify the DotAsia (and Namesphere) Board, through the DotAsia staff team, BoardExco on behalf of the Board, or the Board, if and when requests and demands outside of the official channel is received whether from an individual Board Director or not; and, should seek the confirmation from DotAsia staff team, the DotAsia BoardExco on behalf of the Board, or the Board before the release of any DotAsia information or documents in response to such requests.
- 4.3. A comment was raised that individual directors should not generally be making requests and demands on service providers directly, but such requests should be discussed at Board and/or Board Committee meetings and come through the Board, including the possibility of the Board convening a meeting with the auditors for questions to be discussed. It was suggested and agreed that an additional resolved clause or an additional sentence to clause 2 be added to this effect.
- 4.4. A question was raised about the legalities of establishing such an instruction with our auditors considering whistleblower protections.
- 4.4.1. It was explained that the first “whereas” clause is intended to provide that service providers have their own due diligence to consider when responding or not to inquiries and demands from any party, including individual directors, and that likewise Board Directors are to exercise their fiduciary duties to the organization. The instructions serve only to establish the formal and official communication channel.
 - 4.4.2. It was suggested and agreed that an additional “whereas” clause be added to make clear that Board Directors are also to exercise their duties accordingly.
- 4.5. It was agreed that the BFC recommends the proposed resolution with the additions as discussed to the Board for adoption. (F2023.07.A02)

5. AOB

- 5.1. Allocation of settlement funds for .BOX
- 5.1.1. The background of the legal fee allocation and settlement discussions were briefed to the BFC. It was highlighted that in 2018 when the lawsuit was brought against DotAsia (and Namesphere) the Board (with the

involvement of all Namesphere stakeholders) decided to allocate the cost 50/50 between DotAsia and Namesphere.

- 5.1.2. It was further noted that in the discussion for the acceptance of the settlement, it was agreed both at the DotAsia Board and the Namesphere board that the settlement funds should preliminarily be allocated to Namesphere and then further decision on the actual allocation be made by the shareholders of Namesphere.
- 5.1.3. DotAsia being a shareholder of Namesphere, two options were presented to the BFC for discussion:
 - Option 1: Allocation of settlement funds to be aligned with the allocation of legal costs (i.e. 50/50), which means that 50% of the funds should be paid from Namesphere to DotAsia.
 - Option 2: 100% of settlement funds to remain with Namesphere, which means that the funds are only to be distributed at the point of dissolution of Namesphere or otherwise as decided among the shareholders.
- 5.1.4. The pros and cons for the two approaches as well as potential arrangements in the middle were explored. There was general agreement that whereas Option 1 may seem fair, because it was not already agreed to previously, Option 2 may be more amenable.
- 5.1.5. A Board resolution is to be drafted for further BFC consideration at the next meeting with the aim to table the matter for Board resolution at the subsequent Board meeting.
- 5.2. Update on banking signatories. It was noted that the update of signatories has been completed and the next step is to set-up internet banking for the new signers. Due to lack of availability of the HSBC app in particular countries, there is some delay on the matter and the team is working on going through the extra steps required to obtain the security device.